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To: Senate Committee on Labor, Elections and Urban Affairs
From: Curt Witynski, Assistant Director, League of Wisconsin Municipalities
Date: May 15, 2007
Re: **Opposition to SB 135, DOA Review of Proposed Annexations**

The League of Wisconsin Municipalities opposes SB 135, extending the department of administration's advisory review of annexations statewide and creating a new factor for the department to consider in its review of large annexations. Under current law, DOA conducts advisory public interest reviews of proposed annexations in the 27 counties with populations over 50,000. This bill makes all annexations statewide subject to DOA advisory review.

SB 135 also requires DOA to consider, as part of its public interest review of annexations over 20 acres in size, the annexing city's or village's estimate of the annexation's ultimate impact on the tax base of, and on real property taxes levied in, the annexing city or village and in the territory proposed to be annexed. The bill requires the annexing municipality to furnish the tax impact estimate to the department within 5 days after receiving the department's request and to publish a notice summarizing the estimate before enacting the annexation ordinance.

The League has consistently opposed extending DOA's role in the annexation process. We believe that annexation decisions, like other land use decisions, are best made at the local level without state interference. In our view, municipal governing bodies and their staff are best able to determine whether a particular annexation is in the public interest.

Requiring DOA review of all annexations statewide would create another potential hurdle in the annexation process. The bill increases municipal costs and staff workload and adds delays to the annexation process, especially in nonpopulous counties. Also, to be frank, we fear that the next change sought by the towns will be to prohibit annexations from proceeding if DOA finds them to be against the public interest.

We urge you to vote against recommending passage of SB 135. Thanks for considering our comments.



Memorandum

Date: May 15, 2007
To: Senate Labor, Elections and Urban Affairs Committee
From: John Kisiel –Wisconsin Builders Association
RE: SB 135

Wisconsin Builders Association and its 9,300 members are concerned by the content of this bill. While our members have been generally supportive of the Department of Administration's (DOA) review process for annexations, they have concerns regarding the potential delays that this additional oversight in all counties rather than in the current 28 counties may cause. In addition, our members are concerned about creating an additional factor for DOA to consider in reviewing annexations of over 20 acres which will require the annexing authority and all overlaying taxing jurisdictions to provide an estimate of the "ultimate impact" on both the annexed territory and the annexing authority. There is nothing presented in the bill's analysis that documents problems in the current process or defines the need for creating either of these two regulatory obstacles to that process.

WBA members generally oppose changes to law or administrative code that add unnecessary reviews, delays or regulatory burden to the review process. While we recognize that according to the legislation DOA is required to provide their opinion regarding the annexation within a defined time period, our members are concerned about creating an additional review step for what are in most cases unanimous annexations.

The creation of an additional factor for DOA to consider in making its advisory public interest determination for those annexations over 20 acres is also disconcerting to our members. While our members believe that transparency and full disclosure is something that government agencies should strive for, in this instance they see this as one more step in an otherwise long process. Our members are also concerned about asking the annexing municipality to look into its crystal ball to determine the "ultimate impact" of the annexation when it may not know such things as the density of development, the type of development or the timing of the future development that may occur. Our members believe that this requires the municipality to make too many assumptions that may not have a sound basis.

Absent any documentation that explains the necessity of creating these increased regulatory burdens our members cannot support this change in the law. Therefore, the Wisconsin Builders Association and its members from across Wisconsin respectfully oppose this legislation.



MARK GOTTLIEB

Speaker Pro Tempore
Wisconsin State Assembly

**Testimony by Rep. Mark Gottlieb
Senate Bills 134 and 135
Senate Committee on Labor, Elections & Urban Affairs
May 15, 2007**

Senate Bills 134 and 135 were developed by the Legislative Council Special Study Committee on Municipal Annexation in 2004. I would like to describe the work of the committee and the resulting bills.

The principal goal of the committee was to reduce annexation disputes and the cost and delay that they can cause. The committee attempted to achieve this goal by encouraging the development of voluntary cooperative agreements between cities, villages, and towns.

Our review of current law found three specific statutes that are used for such agreements.

66.0301 – Intergovernmental Cooperation

Although this statute authorizes intergovernmental agreements, there is doubt that it gives authority to alter or protect boundaries. However, because of the complexity of the other boundary adjustment laws, it has been used for that purpose. SB 134 retroactively authorizes that practice, and specifies how the section may be used for future boundary agreements (and in doing so, provides another tool to address boundary disputes cooperatively).

66.0225 – Boundaries Fixed by Court Judgment

This statute allows communities in a lawsuit to stipulate their boundaries. Some evidence suggests that lawsuits have been commenced simply to allow this process to be used. To minimize this, SB 134 limits the application and scope of the section while specifying that boundaries in contested boundary actions, other than annexation, may be stipulated only pursuant to formal boundary agreement procedures.

66.0307 – Cooperative Boundary Agreements

This is the primary boundary agreement law. It has been criticized for being overly complex, costly, and time consuming. SB 134 considerably simplifies this process and reduces the time frame for approving the cooperative plan. The committee believes these changes will result in greater use of this process. SB 134 also provides a procedure for a municipality to petition for development of a cooperative plan through a mediated process if an adjacent municipality declines to participate in negotiations when first asked to do so.

The bill also requires DOA to make available on its public website a list of persons who have identified themselves as professionals qualified to facilitate alternative dispute resolution of annexation, boundary, and land use disputes.

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The second bill SB 135, extends the DOA advisory review of annexations initiated by electors and property owners to include those annexations commenced in any county, not only those commenced in counties with a population of 50,000 or more. Additionally, for annexations over 20 acres, it requires DOA, in making its advisory public interest determination, to consider the impact of the annexation on the tax base and property taxes of the annexing city or village.

While some may have hoped for more substantive changes to annexation law, the committee believes that the recommendations included in this bill can significantly reduce the number and cost of annexation disputes.

Last session Senate Bill 134, then SB 460, unanimously passed the Senate Veterans, Homeland Security, Military Affairs, Small Business and Government Reform committee but did not make it to the floor in time for a vote. SB 135 (SB 461 last session) passed the Senate 33-0 and was referred to the Assembly Committee on Urban and Local Affairs.

Legislative Council staff is here to assist in answering any questions you may have. I hope you will give favorable consideration to these bills.